

Message Text

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PAGE 01 LISBON 04076 190909Z

17

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USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

USMISSION GENEVA

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AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 4076

E.O. 11652: GDS

TAGS: ELAB, PINT, PO

SUBJ: LABOR DEVELOPMENTS

REF: LISBON 3809 AND PREVIOUS

SUMMARY: SOCIALISTS PROBABLY UNABLE TO "PARALYZE" COUNTRY THROUGH STRIKES. OUTLOOK IS FOR NON-COMMUNIST LABOR ELEMENTS TO OBTAIN SIGNIFICANT REPRESENTATION AMONG WHILE COLLAR UNIONS IN FORTHCOMING ELECTIONS BUT FOR COMMUNISTS TO CONTINUE DOMINATION OF BLUE COLLAR UNIONS AND INTERSINDICAL. INTERSINDICAL USING JULY CONGRESS TO RETAIN CONTROL DIRECTORATE FOR NEXT SEVERAL YEARS. ICFTU REPRESENTATIVE COMMENTS FAVORABLY ON
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PAGE 02 LISBON 04076 190909Z

ACTIVITIES OF INTERNATIONAL TRADE SECRETARIAT ORGANIZERS.

COMMUNISTS SEEKING TO GAIN CONTROL OF WELFARE SYSTEM. END SUMMARY

1. ALTHOUGH SOCIALIST PARTY HAS DEMONSTRATED ITS ABILITY TO CALL OUT MASS DEMONSTRATIONS IN STREETS, IT WOULD PROBABLY BE UNABLE, AT THIS TIME, TO CARRY OUT MARIO SOARES' THREAT TO "PARALYZE" PORTUGAL BY A GENERAL STRIKE. CRIPPLE, YES; PARALYZE, NO.

2. POLITICAL DIVERGENCE BETWEEN WHITE COLLAR AND BLUE COLLAR UNIONS: RECENT DEVELOPMENTS HAVE UNDERLINED THE INCREASING WILLINGNESS OF NON-COMMUNIST ELEMENTS WITHIN BANK WORKERS, TEACHERS, RETAIL CLERKS, AND INSURANCE WORKERS TO CHALLENGE COMMUNIST-DOMINATED LEADERSHIP OF THEIR RESPECTIVE UNIONS. SOCIALIST-LED LISBON BANK WORKERS AGAIN SUCCEEDED IN DEFEATING AN ATTEMPT BY COMMUNIST LEADERSHIP TO REVERSE RECENT DECISION BY REBELLIOUS GENERAL ASSEMBLY IN FAVOR OF A SYSTEM OF PROPORTIONAL REPRESENTATION IN UNION DIRECTORATE. SOCIALISTS AND PPD ARE CONFIDENT THEY HAVE STRENGTH NECESSARY TO REPLACE BANK UNION LEADERSHIP IN FORTHCOMING ELECTIONS. PPD IS WORKING CLOSELY WITH SOCIALISTS AMONG WHITE COLLAR WORKERS, BUT PPD IS STRONG ENOUGH IN TEACHERS UNION TO PRESENT ITS OWN PROPOSALS FOR UNION STATUTES, THE ONLY OCCASION IT HAS DONE SO. LISBON INSURANCE WORKERS SUCCEEDED MOMENTARILY IN REPUDIATING UNION'S PRO-INTERSINDICAL LEADERSHIP (LISBON 3591), BUT VICTORY WAS SHORT-LIVED AND REVERSED BY SUBSEQUENT ASSEMBLY.

3. IN CONTRAST, EFFORTS BY INFORMAL SOCIALIST/FAR-LEFT COALITIONS TO CHALLENGE PCP-DOMINATED LEADERSHIPS IN BLUE COLLAR UNIONS HAVE BEEN LESS SUCCESSFUL. THE METALWORKERS FEDERATION, THE TEXTILE AND THE CHEMICAL UNIONS, HAVE REBUFFED DISSIDENTS AND THE POSITION OF THEIR PCP LEADERSHIP IS STRENGTHENED.

4. OUTLOOK IS FOR NON-COMMUNISTS TO OBTAIN SIGNIFICANT REPRESENTATION AMONG WHITE COLLAR WORKERS IN FORTHCOMING UNION ELECTIONS. HOWEVER, COMMUNISTS WILL STILL DOMINATE BLUE COLLAR UNIONS AND INTERSINDICAL. COMMUNISTS REPORTEDLY MAKING LIBERAL USE OF STANDARD TECHNIQUES (PRESSURE, INTIMIDATION, LIBERAL FUNDING) TO ENSURE CONTINUED CONTROL.

5. INTERSINDICAL CONFIDENT, PROCEEDS WITH PLANS FOR CONGRESS:
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PAGE 03 LISBON 04076 190909Z

INTERSINDICAL CONTINUES TO PLAN FOR ITS NATIONAL LABOR CONGRESS JULY 25 - 27. WESTERN DIPLOMATS HAVE BEEN TOLD NO FOREIGN OBSERVERS WILL BE INVITED. INTERSINDICAL LEADERS JUSTIFY CONVENING THE CONGRESS PRIOR TO THE HOLDING OF INTERNAL UNION ELECTIONS BY CLAIMING THAT MANY UNIONS WILL NOT NEED TO HAVE ELECTIONS, AND EVEN IN THOSE THAT DO, THE RESULTS WILL NOT CHANGE THE ORIENTATION OF INTERSINDICAL. (COMMENT: IT IS APPARENT THAT INTERSINDICAL IS DETERMINED TO USE THE CONGRESS TO ELECT A NEW DIRECT-

ORATE, THUS ASSUREING COMMUNIST CONTROL OF THE CONFEDERATION FOR THE NEXT SEVERAL YEARS, REGARDLESS OF THE OUTCOME OF THE INDIVIDUAL UNION ELECTIONS IN SEPTEMBER. END COMMENT)

6. RESIDENT REPRESENTATIVE OF ICFTU, MANUEL SIMON, INFORMS LABATT THAT ORGANIZERS FROM VARIOUS INTERNATIONAL TRADE SECRETARIATS (ITS) ARE MAKING SOME PROGRESS BUT ARE STILL BADLY OUTMANNED AND OUT FINANCED BY COMMUNISTS. EFFORTS OF ITS REPRESENTATIVES ARE CURRENTLY DIRECTED TOWARD WORKING FOR ADOPTION OF FAVORABLE UNION STATUTES. SIMON IS IN CONTACT WITH ITS ORGANIZERS ONLY INFREQUENTLY AND THROUGH INTERMEDIARY IN ORDER TO AVOID POLITICAL COMPLICATIONS BUT IS GENERALLY SATISFIED WITH THEIR WORK. SECRETARIAT'S REPRESENTED INCLUDE CONSTRUCTION WORKERS (IFBWW), COMMERCIAL, CLERICAL AND TECHNICAL (FIET), METALWORKERS (IMF), CHEMICAL WORKERS, AND PLANTATION WORKERS (IFPAAW). TRANSPORT WORKERS (ITF) AND TEXTILE WORKERS HAVE SENT VISITING TEAMS WHICH ARE LESS EFFECTIVE THAN RESIDENT REPRESENTATIVES. SIMON HOPES TO WORK WITH PUBLIC EMPLOYEES, NOW IN EARLY STAGES OF ORGANIZATION, BUT HAVING DIFFICULTY FINDING EMPLOYEES WILLING TO RISK POLITICAL RETALIATION AND LOSS OF JOBS.

7. SIMON PLANS TO ATTEND ICFTU CONFERENCE IN MEXICO IN OCTOBER. SAID HE WOULD EXPLORE WITH ICFTU POSSIBILITY OF RETURN VIA WASHINGTON/NEW YORK FOR MEETINGS. LABATT ENCOURAGED SIMON'S INTEREST IN US VISIT. SIMON PLANS TO TRANSFER RESIDENCE TO MADRID IN LATE OCTOBER, VISITING PORTUGAL ONE WEEK PER MONTH. TRANSFER IS ATTEMPT TO FORESTALL REPETITION IN SPAIN OF EVENTS IN PORTUGAL.

8. COMMUNISTS SEEK TO CONTROL WELFARE SYSTEM: FORMER SECRETARY OF STATE FOR SOCIAL SECURITY, PPD DIRECTOR VASCO GRACA MOURA, TOLD LABATT JULY 16, JUST PRIOR TO HIS RESIGNATION, THAT HE WAS WORKING HARD TO PLACE NON-COMMUNISTS IN POSITIONS TO PREVENT PCP
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PAGE 04 LISBON 04076 190909Z

TAKEOVER OF WELFARE SYSTEM. RETIREMENT, DISABILITY, AND WELFARE BENEFITS ARE CURRENTLY DISPENSED BY SOME 80 OCCUPATIONALLY ORGANIZED WELFARE FUNDS UNDER JOINT GOVERNMENT/WORKER SUPERVISION. COMMUNISTS ARE CLOSE TO CONTROL IN MANY OF THESE ORGANIZATIONS AND ONLY CONTINUED GOVERNMENT SUPERVISION PREVENTS PERVERSION OF WELFARE ORGANIZATIONS TOWARD PCP POLITICAL ENDS.

9. COMMENT: INTERSINDICAL'S CLAIM TO BE TRULY REPRESENTATIVE OF PORTUGUESE LABOR MOVEMENT IS INCREASINGLY BEING CALLED INTO QUESTION BY UNIONS OPPOSED TO ITS SUBJUGATION TO THE PCP. HOWEVER, THERE IS NO AGREEMENT AMONG THESE UNIONS AS TO WHETHER THE MOST EFFECTIVE MANNER OF OPPOSING THIS DOMINATION IS TO REMAIN OUTSIDE INTERSINDICAL OR WHETHER TO WORK FOR CHANGE FROM WITHIN. SOLUTION OF THIS DILEMNA PROBABLY NOT APPARENT UNTIL RESULTS OF UNION ELECTIONS ARE KNOWN.

10. EMBASSY CONTINUES TO SEE LITTLE USEFUL THAT CAN BE DONE DIRECTLY BY USG OR AMERICAN LABOR MOVEMENT PRIOR TO UNION ELECTIONS. STATEMENT BY NORWEGIAN LO (OSLO'S 2132) USEFUL AND RECEIVED SURPRISING DEGREE OF MEDIA ATTENTION HERE. ICFTU CONTINUES TO RECEIVE CRITICISM FROM COMMUNIST PRESS BUT EFFORTS OF ITS ORGANIZERS HAVE THUS FAR GONE UNMENTIONED. DIRECT EMBASSY CONTACT WITH THESE ORGANIZERS UNWISE AND IT IS DIFFICULT TO EVALUATE THEIR EFFECTIVENESS. TO EXTENT THAT THEY MAY BE RESPONSIBLE FOR THE INCREASED NON-COMMUNIST LABOR ACTIVITY, THEIR PRESENCE CLEARLY DESIRABLE.
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